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Renewable Corporate Entrepreneurship: The Path to Sustainable Growth

by Dean Robb, Ph.D.

While touted as a marketplace nirvana, the reality of the global marketplace has brought with it an unanticipated, strange and painful consequence: somehow, dominance has become as much a liability as an asset. Small, nimble competitors can emerge from nowhere, move with blinding speed, and subvert industry incumbents, because incumbents can't respond quickly and effectively. Disconcertingly, dominance can disappear almost overnight.

To survive - let alone thrive - in this climate requires creating and continually renewing a spirit of disciplined entrepreneurship. Disciplined, renewable entrepreneurship is the source for continuous generation of "disruptive innovations" - products and services that alter the rules of the competitive landscape - in your favor. It ensures rapid, effective response to evolving customer needs. It's the source of employee passion, creativity and commitment.

Yet, fewer than three in ten executives think their organizations are very entrepreneurial. Over half of executives admit that their organizations lack entrepreneurial role models, and that leaders are not really encouraging entrepreneurship. Creating corporate entrepreneurship is clearly a conundrum.

Creating disciplined, renewable entrepreneurship is possible, but demands significant changes in how we build, lead and manage companies.

Discipline and Creativity

Discipline is the brains and brawn of the entrepreneurial enterprise; creativity is its heart and soul.

Discipline is crucial for successful execution of any business model and strategy. Critical success factors for disciplined execution include:

- A clear, well-deployed business model and strategy;
- Products and services that are tightly aligned with customer needs;
- Effective, flexible, core business processes;
- Clear roles, responsibilities, goals and measures for teams and individuals, coupled with a clear structure of freedom, empowerment and accountability;
- A culture that rewards high performance, creativity and learning.

Creativity - the pure, unconstrained, blue-sky kind - must be deep down in the core of the entrepreneurial enterprise, and safeguarded like a precious jewel. Why? It's the source of enterprise vitality and the wellspring for rule-busting, "disruptive" product, service and business model innovations.

The ultimate wellspring of organizational creativity is social diversity - i.e., internal variety or differentiation. And, the more diversity, the more potential for creativity. This obviously includes diversity in its current sense, but goes way beyond it. If you want a deeply creative culture, you've got to foster the expression and engagement of authentic, genuine individuals. John F. Kennedy expressed this very simply: "Conformity is the enemy of growth."

The Cycle of Renewal

In an entrepreneurial enterprise, business models, strategies, products and services are in a state of continual renewal. So are supporting components like business processes, organization designs, competencies, culture and technologies. To remain competitive and retain the entrepreneurial spirit, senior executives must lead the organization through the Cycle of Renewal on an ongoing basis:



The cycle is a never-ending movement between the poles of disciplined execution and creative exploration. The cycle has five phases:

- **Action:** Disciplined execution of the current business model and strategy.
- **Awareness:** Intellectual awareness that change or reinvention is necessary to create, or respond to, a new, rule-changing business innovation.
- **Acceptance:** Emotional and political readiness to let go of the old and move on to the new.
- **Focus:** Creative exploration of alternative business models, strategies, products and services, coupled with disciplined lasering down to the critical "right" next move.
- **Build:** Design and implementation of changes required to any or all of the elements inside the circle in the graphic above.
- **Action:** The cycle begins anew!

Each move through the cycle is like a rebirth: some part or parts of the enterprise, connected to its perceived identity - like its business model, or long-held strategy, or suite of products, or culture - have to literally die, and something new needs to be "born." This is energizing and creative, but it's also profoundly challenging and painful. Remember: the deeper the change, the more profound and deeply embedded the resistance.

Managing the renewal cycle requires a "full engagement", "full bandwidth" approach. Full engagement means involving the entire organization, as well as senior leadership, in every phase of the cycle. "Full bandwidth" means going beyond addressing only the rational, practical, technological and political dimensions of change (the province of traditional "change management" methods). Of course they're critical, but you'll need to engage your people on deep emotional, creative, intuitive - even "spiritual" (identity) - levels, too. Remember: you're

rocking people's worlds, here - possibly to the core! That's never going to be an exercise in pure rational analysis!

Without widespread engagement or without openly addressing the painful emotional issues, each move through the cycle creates negative political and emotional "baggage" that gets dumped in the organizational "cellar". As baggage accumulates underground, organizational resistance grows, and the entrepreneurial flame dims.

But when a full-bandwidth, full-engagement process is adopted, each pass through the cycle becomes easier. Also, each pass through the cycle builds incremental improvements in enterprise resilience, competence and creativity. Here's why: it is primarily through engaging deeply in transformational change that we grow in competence, creativity, resilience, resourcefulness, wisdom and maturity.

A New Leadership Paradigm

The foundation of execution is alignment - getting everyone "on the same page." The old leadership paradigm, founded on a parent-child model, used the tools of control, compliance, and conformity to gain alignment. In today's marketplace, the costs of the old approach are staggering. Bluntly put, the old paradigm serves only to perpetuate an increasingly stagnant status quo, and it devastates commitment, creativity, and diversity - the foundations of renewable entrepreneurship.

The new paradigm replaces the parent-child model with an adult-to-adult, commitment-driven model, based on mutual respect, accountability, negotiation and experience-based trust. This model fosters initiative, engaged commitment, and creativity. To enact the new paradigm, leaders will need to grow toward intellectual, emotional, and spiritual "wholeness," so they can balance and integrate the polarities between discipline and creativity:

Discipline	Creativity
Power	Humility
Accountability	Freedom
Directing	Listening
Mastery	Learning
Strength	Vulnerability
Rationality	Intuition / Emotion

Wholeness is also critical for successfully engaging in a "full-spectrum" strategy for managing the cognitive, emotional, social, practical and political challenges of the Cycle of Renewal.

Creating a highly diverse, inclusive culture requires facilitation, support and community-building skills, as well as the inner strength to foster the growth and empowerment of others without feeling threatened.